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Programme and Budget Committee

Sixteenth session
Vienna, 4-5 September 2000
Item 2 of the provisional agenda

ANNOTATED PROVISIONAL AGENDA

Opening of the session

In accordance with rule 17.2 of the rules of procedure (UNIDO/4), the sixteenth session of the Programme and Budget Committee will be opened by the Chairman of the Committee, Mr. A. Némethy (Slovakia).

Item 1. Election of officers

In accordance with rule 17.1, each year, at the commencement of its regular session, the Committee shall elect from among the representatives of its members a Chairman and three Vice-Chairmen, and from among the delegations of its members a Rapporteur. Rule 17.3 also stipulates that the offices of the Chairman, the three Vice-Chairmen and the Rapporteur shall be subject to equitable geographical rotation within a five-year cycle in accordance with appendix A to the rules of procedure. According to that appendix, the Chairman of the sixteenth session should be elected from members of the Committee from States included in List C of Annex I to the Constitution and the three Vice-Chairmen from the African States in List A and from the States in Lists B and D, respectively. The Rapporteur should be elected from members of the Committee from Asian States included in List A.

Item 2. Adoption of the agenda

A provisional agenda for the sixteenth session of the Committee, prepared by the Director-General in consultation with the Chairman of the Committee in accordance with rules 8 and 9 of the rules of procedure, is submitted to the Committee for adoption in document PBC.16/1.

Item 3. Report of the External Auditor, financial performance report and programme performance report for the biennium 1998-1999

In accordance with financial regulation 11.10, the reports of the External Auditor, together with the audited financial statements, shall be transmitted through the Committee to the Board in accordance with directions given by the Conference. The Committee shall examine the financial statements and the audit reports and submit recommendations to the Board, which shall forward them to the Conference with such comments as it deems appropriate.

The Committee in its conclusion 1987/19 requested the Director-General to submit each year to the Board through the Committee a clear and detailed financial performance report itemizing the utilization

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of financial resources, as well as a programme performance report describing the level of programme implementation. Subsequently, the Board at its seventh session (decision IDB.7/Dec.11) approved the incorporation of the programme performance report in the annual report. Likewise, the General Conference in its resolution GC.4/Res.2 requested the Director-General to fully incorporate in future annual reports the programme performance report according to Board decision IDB.7/Dec.11. Thus, the Annual Report of UNIDO 1999 and its addendum contain the programme performance report for 1999.

The Committee will have before it:

- Report of the External Auditor on the accounts of UNIDO and of the Industrial Development Fund for the fiscal period 1998-1999 ended 31 December 1999 (PBC.16/4-IDB.23/3)

- Comments of the Director-General on the report of the External Auditor (PBC.16/8-IDB.23/7)

- Financial performance report for the biennium 1998-1999. Submitted by the Director-General (PBC.16/7-IDB.23/6)

- *Annual Report of UNIDO 1999* (including programme performance report for 1999) (PBC.16/2-IDB.22/2, Corr.1 and Add.1)

Item 4. Financial situation of UNIDO, including arrears

The report by the Director-General to the Board at its twenty-second session covered a wide range of issues within the context of the financial situation. That information will be updated in a conference room paper.

The Committee will have before it:

- Financial situation of UNIDO, including arrears. Report by the Director-General (IDB.22/8), to be updated in a conference room paper

Item 5. Unutilized balances of appropriations, 1992-1993 and 1996-1997

At its eighth session, the General Conference strongly encouraged Member States to renounce their share of the unutilized balances for the bienniums 1992-1993 and 1996-1997 for the purpose of advancing the implementation of the activities of UNIDO. The Conference authorized the Director-General to establish a special account to which any funds from the unencumbered balances of appropriations would be transferred (GC.8/Res.4), and requested the Director-General to report to the Board, through the Committee, on the amounts surrendered and the utilization of those funds. Subsequently, the Board at its twenty-second session took note of the total amount that had become available and the requirement to report on the utilization of those funds (IDB.22/Dec.3, para. (c)).

The Committee will have before it:

- Unutilized/unencumbered balances of appropriations for 1992-1993 and 1996-1997 (chap. VI of the report by the Director-General on the financial situation of UNIDO, IDB.22/8)

- Utilization of funds resulting from resolution GC.8/Res.4 (PBC.16/6-IDB.23/5, chap. III)

Item 6. Financial regulations

In compliance with Board decision IDB.18/Dec.7, which requested the intersessional working group on proposed amendments to the financial regulations to continue its examination of the financial regulations, the group has met three times in 2000 with a view to proposing amendments to the sixteenth session of the Committee. That session of the Committee would thus be in a position to forward its recommendations to the twenty-third session of the Board.

The Committee will have before it:

- Intersessional working group on proposed amendments to the Financial Regulations of UNIDO. Report by the Chairman, Ms. I. Freudenschuss-Reichl, Austria (PBC.16/10-IDB.23/8)

Item 7. Transition to a single-currency system

In the report by the Director-General on implications of the euro for UNIDO considered by the Board at its twenty-first session, reference was made to the exchange rate for conversion of existing dollar-based amounts (IDB.21/30-GC.8/15, paras. 36-37). In particular, to facilitate preparation of the programme and budget proposals for 2002-2003, an exchange rate is essential to convert the 2000-2001 regular budget to euros to ensure a realistic comparison (GC.8/15, para. 37). Within that context, a draft conclusion will be proposed for the consideration of the Committee.

The Committee will have before it:

- Transition to a single-currency system. Report by the Director-General (PBC.16/3)

- Changes in the definition of major objects of expenditure. Note by the Director-General (PBC.16/9)

Item 8. Medium-term programme framework, 2002-2005

In accordance with General Conference decision GC.2/Dec.23, and as subsequently modified in decision GC.6/Dec.10, the Director-General is requested to submit to the Board in the first year of each fiscal period, through the Committee, a draft medium-term programme framework for the four years that follow the current fiscal period. Furthermore, in compliance with paragraph (b)(v)d of the same decision, the Director-General will indicate a general ceiling for the biennium 2002-2003 based on anticipated resources and on programme activity.

The Committee will have before it:

- Medium-term programme framework, 2002-2005. Proposals of the Director-General (PBC.16/5-IDB.23/4)

Item 9. Mobilization of financial resources

In document IDB.22/3, the Director-General reported to the Board on the mobilization of financial resources for UNIDO programmes. That report supplemented earlier reports on the subject, including the Annual Report of UNIDO 1999. Updated information on the mobilization of financial resources, including for the Industrial Development Fund, will be brought to the attention of the Board, through the Committee.

The Committee will have before it:

- Mobilization of financial resources for UNIDO programmes. Report by the Director-General (PBC.16/6-IDB.23/5)

- Information on the mobilization of financial resources, contained in the *Annual Report of UNIDO 1999* (PBC.16/2-IDB.22/2, chap. III.E)

- Information on the nature of projects financed from the Industrial Development Fund, contained in the *Annual Report of UNIDO 1999* (PBC.16/2-IDB.22/2, appendix B)

- Information on projects financed from third party and self-financed trust funds, contained in the *Annual Report of UNIDO 1999* (PBC.16/2-IDB.22/2, appendix C)

Item 10. Date of the seventeenth session

The following dates have been reserved for the policy-making organs of UNIDO in 2001:

2-4 May (tentative)	Programme and Budget Committee, seventeenth session
During week of 18-22 June (tentative)	Industrial Development Board, twenty-fourth session
3-7 December	General Conference, ninth session

Item 11. Adoption of the report